Stock Code: 6416

CASwell, Inc.

2022 Annual Shareholders' Meeting
Meeting Handbook
(Translation)

June 16, 2022

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CASwell, Inc.
Meeting Agenda for 2022 Shareholders' Meeting

Meeting Methods: Physical Shareholders' Meeting

Time: 10:00 a.m., June 16, 2022

Address: Meeting Room, F4, No.10, Jiankang Road, Zhonghe District, New Taipei City

I. Report on Number of Shares Represented at the Meeting

II. Call for a Meeting

III. Chairman's Remarks

IV. Matters Reported

V. Matters Ratified

VI. Matters Discussed

VII. Extemporary Motions

VIII. Adjournment

CASwell, Inc.

Meeting Agenda for 2022 Shareholders' Meeting

I. Meeting Methods: Physical Shareholders' Meeting

II. Chairman's Remarks

III. Matters Reported

- (I) Business Report for 2021
- (II) Audit Committee's Review Report
- (III) Report on the Distribution of Remuneration for Employees and Directors of 2021

IV. Matters Ratified

- (I) 2021 Business Report and Financial Statements
- (II) 2021 Earnings Distribution Plan

V. Matters Discussed

- (I) Amendments to the Articles of Incorporation
- (II) Amendments to the Procedures for Acquiring or Disposing of Assets

VI. Extemporary Motions

VII. Adjournment

Matters Reported

Proposal 1: 2021 Business Report.

Notes: Please refer to Attachment 1 (Page 8-11) for the business report.

Proposal 2: Audit Committee's Review Report

Notes: For the Audit Committee's Review Report, refer to Attachment 2 (Page 12).

Proposal 3: 2021 Report on Remuneration Distribution to Employees and Directors.

Notes: On March 17, 2022, the Board of Directors of the Company passed a resolution that the Company's distribution of the remuneration to employees in cash for 2021 totaled NTD10,500 thousand, accounting for 3.70% of the profit in the final accounts of 2021; the distribution of the remuneration to Directors totaled NTD3,600thousand, accounting for 1.27% of the profit in the final accounts of 2021.

Matters Ratified

(Proposals of the Board of Directors)

Proposal 1: 2021 Business Report and Financial Statements of the Company to be ratified.

Notes:

1. The Company's 2021 Business Report and Financial Statements were approved by the resolutions of the Company's Audit Committee and Board of Directors. Meanwhile, the Company's Financial Statements have been audited by CPAs Huizhi Kou and Xinyi Guo of KPMG.
2. For the Business Report, please refer to Attachment I (page8-11); for the Financial Statements, please refer to Attachment III (page13-28).

Resolution:

(Proposals of the Board of Directors)

Proposal 2: 2021 Earnings Distribution Plan of the Company to be ratified.

Notes:

1. The Company has prepared the 2021 Earnings Distribution Plan (page 5) in accordance with the Company Law and the Articles of Incorporation.
2. The cash dividend proposed to be distributed to shareholders is NTD2, and the total amount of cash dividends is NTD146,377,750.
3. The cash dividend is calculated based on the shares held by the shareholders recorded in the shareholder list on the ex-dividend date, based on the distribution ratio and rounded down to the nearest New Taiwan dollar. The fractional amounts are aggregated and recognized in the total cash dividends for distribution.
4. After the case of approved by the resolution of the Shareholders' Meeting, the Chairman was authorized to confirm the ex-dividend date, distribution date and other related matters. Afterwards, in case the Company buys back the shares or any change occurs to the share capital that the quantity of outstanding shares is

impacted, thus causing any change in the ratio of allotments per share, the Chairman will be authorized to deal with related matters and announce the results.

Resolution:

CASwell, Inc.
Earnings Distribution Plan
2021

Unit: NTD

Item	Amount
Beginning undistributed earnings	**$ 397,850,995**
Current year's net profit after tax	219,555,856
Appropriation of legal reserve	(21,955,586)
Less special reserve appropriated	(20,803,597)
Earnings available for distribution	**574,647,668**
Distribution items:	
Shareholder dividends - cash (NTD2.0 per share)	(146,377,750)
Ending undistributed retained earnings	$ 428,269,918

Chairman:	Manager:	Accounting Supervisor:
Steve Chu	Reaforl Hung	Helen Chang

Matters Discussed

(Proposals of the Board of Directors)

Proposal 1: Amendments to the Articles of Incorporation to be ratified.

Notes:
1. To meet the requirements of the amendment of the Company Law and the operation of the Company, it is proposed to amend some provisions of the Articles of Incorporation of the Company.
2. See the Comparison Table of Amendments to Articles of Incorporation in Attachment IV (page 29-31).

Resolution:

(Proposals of the Board of Directors)

Proposal 2: Amendments to the Amendments to Procedures for Acquiring or Disposing of Assets to be ratified.

Notes: Subject to the Amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, please see the Comparison Table of Amendments in Attachment V (page 32-41).

Resolution:

Extemporary Motions

Adjournment

[Attachment I]

CASwell, Inc.
Business Report

2021 was a very challenging and difficult year, with the increase of COVID-19 vaccination rate, although the global economy has gradually recovered; , overall the world economic environment has not yet returned to the normal condition. Due to the supply chain chaos, global logistics disorder and comprehensive price increase of the supply chain caused by the pandemic, CASwell’s business was impacted, resulting in a net consolidated operating income of NTD 4,673,944 thousand in 2021, a decrease of NTD 791,911 thousand compared with NTD 5,465,855 thousand in 2020, a annual decline of 14%; The net profit after tax was NTD 219,556 thousand, a decrease of NTD 152,797 thousand compared with NTD 372,353 thousand in 2020, a annual decline of 41%. Although the adverse economic environment has affected revenue and profit in 2021, all colleagues have coped with the challenge with the positive and prudent attitude, hoping that in the future, as the economic environment returning back to the right track, and the new operation plan is established, the Company will undergo transformation and realize new growth.

In 2021, novel Coronavirus variants continued to spread all over the world, and the pandemic had ravaged various countries. Measures such as city closure, country locking and isolation were still implemented in various countries with the ups and downs of the epidemic, resulting in continuing strict restrictions on business, tourism and daily life around the world. Worrying about the infection by the vital Covid-19 virus, people couldn't go out for activities, leading to the vigorous development of economic activities such as work from home (WFH), remote education, remote medical care, e-commerce, logistics, videogames and the sharp increase of demand for telecommunication equipment such as servers, laptops, game console. Telecom operators and cloud service providers also innovated their products or services to cope with various online economic activities such as online conference, education, real-time communication, games, logistic service platform, and social media platforms. Enterprises were more deeply aware that many real economic activities were suspended due to the pandemic. Thus began to accelerate the digital transformation, optimize the operation process by making good use of digital tools, and then conceive and transform the affected business models to cope with the uncertain economic model and activities in the future. Major pharmaceutical companies and medical research institutions around the world had also invested huge resources in developing vaccines and drugs against viruse. At present, the vaccination rate in the world has been greatly improved, and some pharmaceutical companies continue to develop the next generation vaccines and therapeutic drugs for virus mutation strain, hoping to return to the economic growth track before the pandemic in the near future.

The aftershock of the pandemic has indeed changed the way of global economic interaction. Looking forward to the strategic technology trends in the next few years, Gartner, a research and survey institute, continuously emphasize the importance to the trends ofexperiential hybrids and holistic experiences, privacy enhanced computing, decentralized enterprises, cybersecurity mesh, AI engineering, super-automation system, etc., and also proposed the establishment of data network for flexibility that can be easily accessed when needed and data sources integration of various platforms and business users. With the technology of cloud native platform, a new application architecture can be generated, which can adapt to the rapid changes and needs of the digital world flexibly in real time. For sure the application emphasis can be combined. For new software solutions and enterprise value promotion, simple and reusable modules are used to speed up the time to market. Generative AI generates similar but non-repetitive innovations from learning existing data, such as video processing and application, product and pharmaceutical research and development cycles, and so on. While intelligent decision-making uses enhanced analysis, simulation and AI to learn, and adaptability fine-tunes to achieve optimal decision-making. Build an autonomous system, learn from the environment, and adjust the algorithm in real time and dynamically to optimize the operation of the organization.

The major operation plan of the Company in 2022 is to integrate various innovative designs, technologies, experiences and innovative thinking of strategic partners developed in recent years. The Company will explore the excellent R&D capabilities accumulated over the years, combine various innovations of R&D teams and customers' industrial experiences and needs and take into account the development trend of science and technology, actively look for strategic partners, and carry out continuous design and development of more netwkork security system platforms, cloud server systems, cloud computing and enterprise client network packet switches, software-defined wide area network (SD-WAN) and virtual/universal customer premises equipment (vCPE/uCPE), industrial Internet control, storage and security gateways and edge computing intelligent gateways. Based on the requirements of network traffic management, data packet storage and transmission and data security in various cloud application service fields, low latency of fog computing/edge computing, deep learning and intelligent computing applications, the Company helps customers to integrate software and hardware in a complete and quick manner, shortens the development time of various application platform systems, and provides comprehensive product lines with high cost performance in combination with advantageous supply chain and manufacturing resources, thus meeting the needs of customers for diversified IT/OT/CT/DT network security application products and services.

In response to the development trend of technology and digital applications, the Company will continue to invest more research and development resources in high-end multi-core computing processors (X86 and RISC/ARM architecture), Intel Xeon SP/D/E, Cascade Lake/Ice Lake SP server CPU, Coffee Lake/Comet Lake/Tiger Lake/Alder Lake CPU and Rangeley/Denverton/IceLake D/Snowridge/Elkhart Lake micro server SOC and IoT application SOC, 10G/25G/40G/100GbE high-speed Ethernet, Tofino Ethernet Switch, FPGA, AMD EPYC 7003 series CPU, cloud server system, network function virtualization (NFV), edge computing center and communication device, industrial Internet control, storage and security management, smart grid management, wireless network access and management, RF antenna integrated design and other technologies, and will continuously invest in and promote new products to open up new business development directions and further improve profitability.

Since customers have specific requirements for the production history, test verification, customized specifications, quality certification system, maintenance service/record and global distribution management of system products, the Company continuously develops and refines information integrated platform services, test verification software package, improves the automation degree of process verification software/process, optimizes the global delivery center and reverse logistics management information system, fully connects with customers' internal systems, and makes the test verification products more complete, so as to greatly improve the visibility of customer information from market research, placing orders, selling products, flexibly dispatching overseas delivery warehouses to after-sales service, etc., ensure real-time supply and provide customers with diversified and satisfactory services. This advantageous differentiated service brings remarkable customer trust and adhesion to the Company, and further helps customers improve their market competitiveness and market share.

In response to the global demand and layout of intelligent applications such as AIoT and edge computing and wireless communication market, the Company has gradually adopted an active but relatively stable planning and investment strategy. In addition to existing global partners, the successively set up overseas subsidiaries in Japan, Chinese, United States and Europe over the past years, and the investment in HAWKEYE TECH, CO., LTD in Taiwan, we set up an operationand manufacturing center in Xinzhuang, so that product managers, sales, procurement, production, materials, quality control, accounting and other teams can work more closely together to expand production capacity and improve production line efficiency, and provide more products and services to global customers.

The management team of the Company, with the same original intention as all colleagues, will continue to uphold the diligent and dedicated work spirit, face with the fickle global economic model and activities, deeply cultivate the business policy planned by the Company and pay close attention to the development of semiconductor industry, electric vehicle industry, 5G core network and open radioaccess network (O-RAN) and intelligent manufacturing and smart city. The Company will also continue to implement corporate governance and make good use of the support of the capital market to carry out more research, development, strategic planning and implementation, so as to create maximum benefits for the Company as a feedback to the care and support of shareholders, employees and other stakeholders.

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Helen Chang

[Attachment II]

CASwell, Inc.
Audit Committee Review Report

The Board of Directors has prepared and submitted the Company's 2021 Business Report, Financial Statements and the proposed profit distribution, of which the Financial Statements have been audited and certified by the independent auditors, Kou Hui-Chih and Kuo Hsin-I, of KPMG. And an audit report has been issued. The Business Report, Financial Statements and the proposed profit distribution have been reviewed by us, the Audit Committee of the Company. We have not found any inconsistencies with applicable laws in our review of the aforementioned documents. Therefore, we, the Audit Committee, hereby issue this report in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Best regards

2022 shareholders' meeting of CASwell, Inc.

Audit Committee of CASwell, Inc.

Convener: Jennifer Shao

Member: James Huang

Member: Benny Wang

March 17, 2022

[Attachment III]

Independent Auditors' Report

To the Board of Directors of CASwell, Inc.:

Opinion

We have audited the consolidated balance sheets of CASwell, Inc. and its subsidiaries (the Group) as at December 31, 2021 and 2020, and related consolidated statements of comprehensive income, of changes in equity and of cash flows for the period from January 1 to December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinions, the consolidated financial statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China in all material aspects, and are considered to present fairly the consolidated financial conditions of the Group as of December 31, 2021 and 2020, as well as the consolidated financial performance and consolidated cash flows of the Group from January 1 to December 31, 2021 and 2020.

Basis for Audit Opinions

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("the Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinions thereon, and we do not provide a separate opinion on these matters. Key audit matters for the company's financial statements of the current period are stated as follows:

1. Inventory valuation

   Please refer to Note IV(VIII) for the accounting policy regarding the inventory valuation. Please refer to Note V(I) for the uncertainties of accounting estimates and assumptions regarding the allowance for price decline in inventories. Please refer to Note VI(III) for an explanation of the inventories.

Notes on key audit matters:

The inventory amount of the Group has been presented in the financial statements as cost and net realizable value whichever was lower. With the rapid changes of sciences and technologies, new product launch might cause changes in consumer demands and significant fluctuations in sales of related products, so the inventory cost might exceed the realizable value. Losses of obsolete and slow-moving inventories shall be separately evaluated dependent upon inventory classification and how many days the inventories have become obsolete. The presentation of such inventories involves subjective judgment, so inventory valuation was one of our important audit matters particularly audited for the financial statements of the Group.

Audit processes:

The main audit processes we adopted for the above key audit matters included performing inventory valuation to evaluate if the Group had presented its inventories based on the predetermined policies for presenting write-downs of inventories; auditing basis of selling prices and net realizable value adopted by the management, in order to verify appropriateness of the estimated writedowns of inventories and expediency of the net realizable value; implementing the sampling procedure to verify rationality of inventory age; and analyzing the ratio of the current inventory writedowns to the balance of normal inventories, in order to evaluate if the writedowns of general inventories are appropriate.

2. Recognition and Cutoff of Revenues

For detailed accounting policies for revenue recognition, refer to Note IV(XIV); for details of revenues, refer to Note VI(XVII).

Notes on key audit matters:

The revenues of the Group are mainly from R&D, production and sales of equipment related to safe network communication platforms. The revenues are what investors are concerned about, so their recognition and cutoff have been listed as one of important matters to be evaluated in auditing financial statements of the Group.

Audit processes:

Our main audit processes for the above key audit matter included testing revenue related internal control systems; reviewing new material contracts and understanding impacts of contractual terms upon revenue recognition; sampling sales transactions concluded over a period before and after the date of the balance sheet, and evaluating if revenues were accounted at the right time points.

3. Assessment of Impairment of Goodwill

For the detailed accounting policy regarding assessment of impairment of goodwill, please refer to Note IV(XII) Impairments of non-financial assets; for the uncertainties of accounting estimates and assumptions regarding goodwill, please refer to Note V(II); for relevant disclosures of goodwill, please refer to Note VI(VII).

Notes on key audit matters:

The consolidated goodwill of the Group generated by M&A is material. According to the International Financial Reporting Standards, the management must perform annual impairment test, because this process involves hypotheses about future potential operating cash flow and weighted average cost of capital considered in estimating the value in use. As an evaluation of the results of the impairment test, the above process, which is complicated, covers many hypotheses and estimates. Hence, goodwill impairment assessment has been one of our important evaluations in auditing the financial statements of the Group.

Audit processes:

Our main audit processes for the above key audit matters include evaluating forecast future cash flow and discount rate in hypotheses adopted by impairment models, comparing historical performances with the forecast of future cash flow, and making comparisons between the discount rate and related external data, in order to test goodwill impairment.

Other Matters

CASwell, Inc. has prepared the parent company only financial statements as of and for the years ended December 31, 2021 and 2020 on which we have issued an audit report with unqualified opinion for reference.

Responsibilities of management and governing bodies for the consolidated financial statements

To ensure that the consolidated financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing fair consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, their interpretations and announcements recognized and announced by the Financial Supervisory Commission, and for maintaining necessary internal control procedures pertaining to the consolidated financial statements.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The governing bodies, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement in the consolidated financial statements when it exists. Misstatements might arise from fraud or error The misstatements may be considered material if they are individually or in the aggregate could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ability of the Group to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group's audit and for expressing an opinion on the financial statements of the Group.

We communicate with those governing bodies regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those governing bodies with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with governing bodies, we determine the key audit matters of the consolidated financial statements of the Group for 2021. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

CPA:

: Kou Hui-Chih
Kuo Hsin-I

March 17, 2022

CASwell, Inc. and its subsidiaries
Consolidated Balance Sheets
December 31, 2021 and 2020

Unit: NTD Thousand

		110.12.31		109.12.31	
	Assets	**Amount**	%	**Amount**	%
	Current assets:				
1100	Cash and cash equivalents (Note VI(I))	$ 643,403	13	750,334	16
1110	Financial assets at fair value through profit or loss - current (Note VI(X))	-	-	373	-
1136	Financial assets at amortized cost - current	11,436	-	-	-
1170	Notes receivables and accounts receivables - net (Note VI(II)(XVII))	787,796	16	989,287	20
1180	Accounts receivables from related parties - net (Note VI(II)(XVII) and VII)	41,961	1	67,374	1
1200	Other receivables (including related parties) (Note VII)	135,665	3	84,900	2
130X	Inventories (Note VI(III))	2,481,708	50	2,338,486	48
1470	Other current assets (Note VIII)	255,679	5	71,704	1
	Total current assets	4,357,648	88	4,302,458	88
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non-current	26,473	1	14,400	-
1517	Financial assets at fair value through other comprehensive income - non-current	8,009	-	8,011	-
1600	Property, plant and equipment (Note VI(V), VII & VIII)	92,827	2	86,358	2
1755	Right-of-use assets (Note VI(VI))	105,636	2	90,513	2
1780	Intangible assets (Note VI(VII))	352,098	7	356,718	8
1840	Deferred tax assets (Note VI(XIII))	2,404	-	-	-
1900	Other non-current assets	10,850	-	6,945	-
	Total non-current assets	598,297	12	562,945	12
	Total assets	**$ 4,955,945**	**100**	**4,865,403**	**100**

		110.12.31		109.12.31	
	Liabilities and equity	**Amount**	%	**Amount**	%
	Current liabilities:				
2100	Short-term borrowings (Note VI(VIII))	$ 21,427	-	15,000	-
2120	Financial liabilities at fair value through profit or loss - current (Note VI(X))	116	-	-	-
2170	Notes and accounts payable	978,315	20	806,626	17
2180	Accounts payable - related parties (Note VII)	97,306	2	154,972	3
2200	Other payables (including related parties) (Note VII)	168,290	3	183,243	4
2230	Current income tax liabilities	24,218	1	72,802	2
2252	Short-term provisions for warranty	7,665	-	8,000	-
2280	Lease liabilities - current (Note VI(XI))	53,237	1	42,147	1
2300	Other current liabilities	94,175	2	61,204	1
2320	Lease liabilities due within one year (Note VI(IX))	1,384	-	1,367	-
	Total current liabilities	1,446,133	29	1,345,361	28
	Non-current liabilities:				
2530	Bonds payable (Note VI(X))	165,088	3	175,040	4
2540	Long-term loans (Note VI(IX))	23,822	1	25,206	-
2552	Long-term provisions for warranty	13,196	-	11,911	-
2570	Deferred tax liabilities (Note VI(XIII))	27,283	1	12,239	-
2580	Lease liabilities - non-current (Note VI(XI))	53,954	1	48,811	1
2670	Other non-current liabilities - others	68	-	74	-
	Total non-current liabilities	283,411	6	273,281	5
	Total liabilities	1,729,544	35	1,618,642	33
	Equity attributable to the owners of the parent company (Notes VI(XIV))				
3100	Share capital	731,889	15	730,678	15
3200	Capital surplus (Note VI(X))	1,431,140	29	1,412,389	29
3300	Retained earnings:				
3310	Legal reserve	287,689	6	265,232	5
3320	Special reserve	30,068	1	32,749	1
3350	Unappropriated retained earnings	617,406	12	684,323	14
	Total retained earnings	935,163	19	982,304	20
3400	Other equity	(50,872)	(1)	(30,068)	(1)
3500	Treasury shares (Note VI(XV))	-	-	(17,856)	-
	Subtotal equity attributable to owners of parent company	3,047,320	62	3,077,447	63
36XX	Non-controlling interests	179,081	3	169,314	4
	Total equity	3,226,401	65	3,246,761	67
	Total liabilities and equity	**$ 4,955,945**	**100**	**4,865,403**	**100**

(Please read the notes to the consolidated financial statements attached here below carefully)

Chairman: Steve Chu **Manager: Reaforl Hung** **Accounting Supervisor: Helen Chang**

CASwell, Inc. and its subsidiaries
Consolidated Statements of Comprehensive Income
From January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

		2021		2020	
		Amount	%	**Amount**	%
4000	**Operating revenue (Note VI(XVII) and VII)**	$ 4,673,944	100	5,465,855	100
5000	**Operating costs (Note VI(III)(XI)(XII)(XV)(XVIII), VII and XII)**	3,749,078	80	4,317,359	79
	Gross profit	924,866	20	1,148,496	21
	Operating expenses (Note VI(XI)(XII)(XV)(XVIII), VII and XII):				
6100	Selling and marketing expenses	169,639	4	153,256	3
6200	General and administrative expenses	203,853	4	211,467	4
6300	Research and development expenses	245,627	5	235,509	4
6450	Expected credit loss (Note VI(II))	-	-	126	-
	Total operating expenses	619,119	13	600,358	11
	Operating income	305,747	7	548,138	10
	Non-operating income and expenses (Note VI(XIX)):				
7100	Interest income	2,536	-	2,770	-
7010	Other income	20,802	-	14,785	-
7020	Other gain and loss	(478)	-	(5,100)	-
7050	Finance costs (Note VI(X)(XI))	(5,787)	-	(9,211)	-
	Total non-operating income and expenses	17,073	-	3,244	-
7900	**Net pretax profit of current period**	322,820	7	551,382	10
7950	**Less: Income tax expense (Note VI(XIII))**	82,755	2	134,545	2
	Net profit of current period	240,065	5	416,837	8
8300	**Other comprehensive income/(loss):**				
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences arising from the translation of foreign operations	(23,576)	(1)	3,953	-
8399	Income tax relating to items that may be reclassified	-	-	-	-
	Total of items that may be reclassified subsequently to profit or loss	(23,576)	(1)	3,953	-
8300	**Other comprehensive income/(loss) of current period**	(23,576)	(1)	3,953	-
8500	**Total comprehensive income/(loss) of current period**	**$ 216,489**	**4**	**420,790**	**8**
	Net profit in current period attributable to:				
8610	Owners of the parent company	$ 219,556	5	372,353	7
8620	Non-controlling interests	20,509	-	44,484	1
	Net profit of current period	**$ 240,065**	**5**	**416,837**	**8**
	Comprehensive income attributable to:				
8710	Owners of the parent company	$ 198,752	4	375,034	7
8720	Non-controlling interests	17,737	-	45,756	1
	Total comprehensive income/(loss) of current period	**$ 216,489**	**4**	**420,790**	**8**
	Earnings per share (Note VI(XVI))				
9750	Basic earnings per share (NTD)	**$**	**3.00**		**5.29**
9850	Diluted earnings per share (NTD)	**$**	**2.95**		**5.18**

(Please read the notes to the consolidated financial statements attached here below carefully)

Chairman: Steve Chu **Manager: Reaforl Hung** **Accounting Supervisor: Helen Chang**

CASwell, Inc. and its subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

	Equity attributable to owners of parent company										
			Retained earnings			Other equity items					
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising from the translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Treasury shares	Total equities attributable to owners of parent company	Non-controlling interests	Total equity
Balance as of January 1, 2020	$ 680,357	934,426	236,334	13,066	711,812	(22,299)	(10,450)	(17,856)	2,525,390	224,003	2,749,393
Net profit of current period	-	-	-	-	372,353	-	-	-	372,353	44,484	416,837
Other comprehensive income/(loss) of current period	-	-	-	-	-	2,681	-	-	2,681	1,272	3,953
Total comprehensive income/(loss) of current period	-	-	-	-	372,353	2,681	-	-	375,034	45,756	420,790
Earnings appropriation and distribution:											
Appropriation of legal reserve	-	-	28,898	-	(28,898)	-	-	-	-	-	-
Appropriation of special reserve	-	-	-	19,683	(19,683)	-	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(203,477)	-	-	-	(203,477)	-	(203,477)
Stock options of equity components recognized due to issuance of convertible bonds-	-	18,830	-	-	-	-	-	-	18,830	-	18,830
Corporate bond conversion into ordinary shares	50,321	459,133	-	-	-	-	-	-	509,454	-	509,454
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	(147,784)	-	-	-	(147,784)	-	(147,784)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	(100,445)	(100,445)
Balance as of December 31, 2020	730,678	1,412,389	265,232	32,749	684,323	(19,618)	(10,450)	(17,856)	3,077,447	169,314	3,246,761
Net profit of current period	-	-	-	-	219,556	-	-	-	219,556	20,509	240,065
Other comprehensive income/(loss) of current period	-	-	-	-	-	(20,804)	-	-	(20,804)	(2,772)	(23,576)
Total comprehensive income/(loss) of current period	-	-	-	-	219,556	(20,804)	-	-	198,752	17,737	216,489
Earnings appropriation and distribution:											
Appropriation of legal reserve	-	-	22,457	-	(22,457)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(2,681)	2,681	-	-	-	-	-	-
Stock dividends for ordinary shares	-	-	-	-	(266,697)	-	-	-	(266,697)	-	(266,697)
Corporate bond conversion into ordinary shares	1,211	11,041	-	-	-	-	-	-	12,252	-	12,252
Transfer of treasury stocks to employees	-	7,710	-	-	-	-	-	17,856	25,566	-	25,566
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	(7,970)	(7,970)
Balance as of December 31, 2021	**$ 731,889**	**1,431,140**	**287,689**	**30,068**	**617,406**	**(40,422)**	**(10,450)**	**-**	**3,047,320**	**179,081**	**3,226,401**

(Please read the notes to the consolidated financial statements attached here below carefully)

Chairman: Steve Chu **Manager: Reaforl Hung** **Accounting Supervisor: Helen Chang**

CASwell, Inc. and its subsidiaries
Consolidated Statements of Cash Flows
From January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

	2021	2020
Cash flows from operating activities:		
Net pretax profit of current period	$ 322,820	551,382
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	72,714	74,455
Amortization expenses	7,730	8,735
Expected credit loss	-	126
Net gain on financial assets at fair value through profit or loss	(811)	(2,214)
Interest expense	5,787	9,211
Interest income	(2,536)	(2,770)
Loss (gain) on disposal and scrap of property, plant and equipment	(339)	2
Compensation cost relating to share-based payment	7,764	-
Total adjustments for reconcile profit (loss)	90,309	87,545
Changes in operating assets/liabilities:		
Net changes in operating assets:		
Decrease in notes and accounts receivable (including related parties)	226,865	11,708
Increase in other receivables (including related parties)	(50,806)	(15,157)
Increase in inventories	(143,222)	(607,842)
Decrease (increase) in other current assets	(183,975)	10,350
Total net changes in operating assets	(151,138)	(600,941)
Net changes in operating liabilities:		
Increase in notes and accounts payable (including related parties)	114,023	45,132
(Decrease) increase in other payables (including related parties)	(14,956)	34,875
Increase in warranty provisions	950	275
Increase in other current liabilities	32,971	10,074
Total net changes in operating liabilities	132,988	90,356
Total net changes in operating assets and liabilities	(18,150)	(510,585)
Total adjustments for reconcile profit (loss)	72,159	(423,040)
Cash inflow generated from operations	394,979	128,342
Interest received	2,577	2,941
Interest paid	(3,457)	(3,811)
Income tax paid	(118,699)	(85,613)
Net cash generated from operating activities	275,400	41,859
Cash flows from investing activities:		
Financial assets at fair value through other comprehensive gains and losses	-	(8,000)
Acquisition of financial assets at amortized cost	(11,436)	-
Acquisition of financial assets at fair value through profit or loss	(10,800)	(14,400)
Acquisition of subsidiaries (less cash obtained)	-	(197,041)
Acquisition of property, plant and equipment	(26,150)	(20,632)
Disposal of property, plant and equipment	1,714	1
Acquisition of intangible assets	(6,010)	(746)
Increase in other non-current assets	(3,585)	1,818
Increase in prepayments for business facilities	(320)	-
Net cash used in investing activities	(56,587)	(239,000)
Cash flows from financing activities:		
Increase (decrease) of short-term borrowings	6,427	(138,264)
Issuance of convertible corporate bonds	-	699,700
Repayments of long-term borrowings	(1,367)	(1,242)
Repayment of lease principal	(53,514)	(54,925)
Decrease (increase) in other non-current liabilities	(6)	40
Cash dividends paid	(266,697)	(203,477)
Share issuance costs	(54)	-
Transfer costs of treasury stocks	17,856	-
Changes in non-controlling interests	(7,970)	(51,188)
Net cash (outflow) inflow generated from financing activities	(305,325)	250,644
Effect of exchange rates on cash and cash equivalents	(20,419)	2,772
(Decrease) increase in cash and cash equivalents	(106,931)	56,275
Cash and cash equivalents at beginning of period	750,334	694,059
Cash and cash equivalents at end of period	**$ 643,403**	**750,334**

Independent Auditors' Report

To the Board of Directors of CASwell, Inc.:

Opinion

We have audited the balance sheets of CASwell, Inc. as at December 31, 2021 and 2020, and related statements of comprehensive income, of changes in equity and of cash flows for the period from January 1 to December 31, 2021 and 2020, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinions, the parent company only financial statements mentioned above have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, and are considered to present fairly the financial conditions of CASwell, Inc. as of December 31, 2021 and 2020, as well as the financial performance and cash flows of CASwell, Inc. from January 1 to December 31, 2021 and 2020.

Basis for Audit Opinions

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of CASwell, Inc. in accordance with the Norm of Professional Ethics for Certified Public Accountant ("the Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of CASwell, Inc. for 2021. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinions thereon, we do not provide separate opinions on these matters. Key audit matters for the company's financial statements of the current period are stated as follows:

1. Inventory valuation

   Please refer to Note IV(VII) to the financial statements for the accounting policy regarding the inventory valuation. Please refer to Note V(I) to the financial statements for the uncertainties of accounting estimates and assumptions regarding the realizability of inventory assessment. Please refer to Note VI(IV) to the financial statement for an explanation of the inventory valuation.

   Notes on key audit matters:

   Inventory amount of CASwell, Inc.is presented in the financial statements as costs or net realizable value whichever is lower. Due to rapid changes of sciences and technologies, new product launch might cause changes in consumer demands and significant fluctuations in sales of related products, so the costs of inventories might exceed their net realizable value. Losses of obsolete and slow-moving inventories shall be separately evaluated dependent upon inventory classification and how many days the inventories have become obsolete. The presentation of such inventories involves subjective judgment, so inventory valuation was one of our important audit matters particularly audited for the financial statements of CASwell, Inc.

Audit processes:

The main audit processes we adopted for the above key audit matters included performing inventory valuation to evaluate if CASwell, Inc. had presented its inventories based on the predetermined policies for presenting write-downs of inventories; auditing basis of selling prices and net realizable value adopted by the management, in order to verify appropriateness of the estimated writedowns of inventories and expediency of the net realizable value; implementing the sampling procedure to verify rationality of inventory age; and analyzing the ratio of the current inventory writedowns to the balance of normal inventories, in order to evaluate if the writedowns of general inventories are appropriate.

2. Recognition and Cutoff of Revenues

For detailed accounting policies for revenue recognition, refer to Note IV(XIV); for details of revenues, refer to Note VI(XVI).

Notes on key audit matters:

The revenues of CASwell, Inc. have mainly been earned from R&D, production and sales of related equipment related to safe network communication platforms. They were recognized as investors' concerns, so recognition and cutoff of revenues were one of important items we evaluated in auditing the financial reports of CASwell, Inc.

Audit processes:

Our main audit processes for the above key audit matter included testing revenue related internal control systems; reviewing new material contracts and understanding impacts of contractual terms upon revenue recognition; sampling sales transactions concluded over a period before and after the date of the balance sheet, and evaluating if revenues were accounted at the right time points.

3. Evaluation of Investment Impairment Accounted for Using the Equity Method

For the detailed accounting policy regarding investment impairment accounted for using the equity method, refer to Note IV(VIII) Investment in Subsidiaries; for the uncertainties of accounting estimates and assumptions regarding investment impairment accounted for using the equity method, refer to Note V(II); for details of the financial reports on investments accounted for using the equity method, refer to Note VI(V).

Notes on key audit matters:

The goodwill generated by merger and acquisition of CASwell, Inc. is material. The management has evaluated and tested impairment according to the international accounting standards, and estimated the future cash flows expected from the asset's cash-generating unit. Calculation of future cash flows involves several assumptions and estimates, with a high level of uncertainty, so evaluating investment impairment using equity method has been listed as a key audit matter by us in auditing the financial reports of CASwell, Inc.

Audit processes:

Our main audit processes for the above key audit matter included evaluating future cash flow forecasts and discount rate of hypotheses adopted by the impairment model, comparing historical performances with future cash flow forecasts, and comparing discount rate against related external data, so as to perform impairment test of goodwill.

Responsibilities of Management and Governing Bodies for Financial Statements

To ensure that the financial reports do not contain material misstatements caused by fraud or errors, the management is responsible for preparing fair financial reports in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and maintaining necessary internal control related to preparation of financial reports.

In preparing financial reports, the management is responsible for evaluating the ability of CASwell, Inc. to continue as a going concern, disclosing, as applicable, matters related to the going concern, and use the going concern basis of accounting, unless the management either intends to liquidate CASwell, Inc. ceases operations, or has no realistic alternative but to do so.

The governing bodies of CASwell, Inc. (including the audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements might arise from fraud or error The misstatements may be considered material if they are individually or in the aggregate could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the parent company only financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of CASwell, Inc.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ability of CASwell, Inc. to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CASwell, Inc. to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investee companies under equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit of these investee companies and for expressing an opinion on the financial statements of CASwell, Inc.

We communicate with those governing bodies regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those governing bodies with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with governing bodies, we determine the key audit matters of the parent company only financial statements of CASwell, Inc. for 2021. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

CPA:

Kou Hui-Chih
Kuo Hsin-I

March 17, 2022

CASwell, Inc.
Balance Sheets
December 31, 2021 and 2020

Unit: NTD Thousand

		110.12.31		109.12.31	
	Assets	**Amount**	%	**Amount**	%
	Current assets:				
1100	Cash and cash equivalents (Note VI(I))	$ 386,988	9	465,892	11
1110	Financial assets at fair value through profit or loss - current (Note VI(IX))	-	-	373	-
1170	Notes receivables and accounts receivables - net (Note VI(II)(XVI))	492,891	12	631,757	15
1180	Accounts receivables from related parties - net (Note VI(II)(XVI) and VII)	150,095	3	194,357	5
1200	Other receivables (including related parties) (Note VI(III) and VII)	144,313	3	75,790	2
1220	Current income tax assets	465	-	-	-
130X	Inventories (Note VI(IV))	2,012,021	46	1,781,602	43
1470	Other current assets (Note VIII)	183,956	4	60,897	2
	Total current assets	3,370,729	77	3,210,668	78
	Non-current assets:				
1510	Financial assets at fair value through profit or loss - non-current	26,473	1	14,400	1
1517	Financial assets at fair value through other comprehensive income - non-current	8,000	-	8,000	-
1550	Investment accounted for using the equity method (Note VI(V))	878,829	20	823,277	20
1600	Property, plant and equipment (Note VI(VII))	40,607	1	31,655	1
1755	Right-of-use assets (Note VI(VIII))	51,576	1	11,270	-
1780	Intangible assets	1,142	-	1,566	-
1900	Other non-current assets	4,463	-	238	-
	Total non-current assets	1,011,090	23	890,406	22
	Total assets	**$ 4,381,819**	**100**	**4,101,074**	**100**

		110.12.31		109.12.31	
	Liabilities and equity	**Amount**	%	**Amount**	%
	Current liabilities:				
2120	Financial liabilities at fair value through profit or loss - current (Note VI(IX))	$ 116	-	-	-
2170	Notes and accounts payable	783,803	18	502,641	12
2180	Accounts payable - related parties (Note VII)	85,499	2	111,361	3
2200	Other payables (including related parties) (Note VII)	112,223	3	99,126	3
2230	Current income tax liabilities	-	-	42,628	1
2252	Short-term provisions for warranty	4,597	-	4,914	-
2280	Lease liabilities - current (Note VI(X))	21,182	-	10,304	-
2300	Other current liabilities	92,317	2	53,711	1
	Total current liabilities	1,099,737	25	824,685	20
	Non-current liabilities:				
2530	Bonds payable (Note VI(IX))	165,088	3	175,040	4
2552	Long-term provisions for warranty	11,685	-	10,383	-
2570	Deferred tax liabilities (Note VI(XII))	27,407	1	12,379	1
2580	Lease liabilities - non-current (Note VI(X))	30,515	1	1,066	-
2670	Other non-current liabilities - others	67	-	74	-
	Total non-current liabilities	234,762	5	198,942	5
	Total liabilities	1,334,499	30	1,023,627	25
	Equity (Note VI(XIII)):				
3100	Share capital	731,889	17	730,678	18
3200	Capital surplus (Note VI(IX))	1,431,140	33	1,412,389	35
3300	Retained earnings:				
3310	Legal reserve	287,689	6	265,232	6
3320	Special reserve	30,068	1	32,749	1
3350	Unappropriated earnings (Note VI(VI))	617,406	14	684,323	17
	Total retained earnings	935,163	21	982,304	24
3400	Other equity	(50,872)	(1)	(30,068)	(1)
3500	Treasury shares (Note VI(XIII)(XIV))	-	-	(17,856)	(1)
	Total equity	3,047,320	70	3,077,447	75
	Total liabilities and equity	**$ 4,381,819**	**100**	**4,101,074**	**100**

(Please read the notes to the parent company only financial statements attached here below carefully)

Chairman: Steve Chu **Manager: Reaforl Hung** **Accounting Supervisor: Helen Chang**

CASwell, Inc.
Statements of Comprehensive Income
From January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

		2021		2020	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Note VI(XVI) and VII)**	$ 3,257,900	100	3,821,434	100
5000	**Operating costs (Note VI(IV)(VII)(VIII)(X)(XI)(XIV)(XVII) and XII)**	2,708,363	83	3,116,556	82
	Gross profit	549,537	17	704,878	18
	Operating expenses (Note VI(VII)(VIII)(X)(XI)(XIV)(XVII) and XII):				
6100	Selling and marketing expenses	111,797	3	92,852	2
6200	General and administrative expenses	52,261	2	55,770	1
6300	Research and development expenses	201,216	6	183,430	5
6450	Expected credit loss (Note VI(II))	-	-	60	-
	Total operating expenses	365,274	11	332,112	8
	Net operating income	184,263	6	372,766	10
	Non-operating income and expenses (Note VI(XVIII)):				
7100	Interest income	1,349	-	2,256	-
7010	Other income	15,220	-	10,560	-
7020	Other gain and loss	(17,030)	(1)	(7,469)	-
7050	Finance costs (Note VI(IX)(X))	(2,640)	-	(5,838)	-
7070	Shares of profit of subsidiaries accounted for using the equity method	88,190	3	84,603	2
	Total non-operating income and expenses	85,089	2	84,112	2
7900	**Net pretax profit of current period**	269,352	8	456,878	12
7950	**Less: Income tax expense (Note VI(XII))**	49,796	1	84,525	2
8200	**Net profit of current period**	219,556	7	372,353	10
8300	**Other comprehensive income/(loss):**				
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences arising from the translation of foreign operations	(20,804)	(1)	2,681	-
8399	Less: Income tax relating to items that may be reclassified	-	-	-	-
	Total of items that may be reclassified subsequently to profit or loss	(20,804)	(1)	2,681	-
8300	**Other comprehensive income/(loss) of current period**	(20,804)	(1)	2,681	-
8500	**Total comprehensive income/(loss) of current period**	**$ 198,752**	**6**	**375,034**	**10**
	Earnings per share (Note VI(XV))				
9750	Basic earnings per share (NTD)	**$ 3.00**		**5.29**	
9850	Diluted earnings per share (NTD)	**$ 2.95**		**5.18**	

(Please read the notes to the parent company only financial statements attached here below carefully)

Chairman: Steve Chu **Manager: Reaforl Hung** **Accounting Supervisor: Helen Chang**

CASwell, Inc.
Statement of Changes in Equity
From January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

	Share capital	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Other equity items: Exchange differences arising from the translation of foreign operations	Other equity items: Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Treasury shares	Total equity
Balance as of January 1, 2020	$ 680,357	934,426	236,334	13,066	711,812	(22,299)	(10,450)	(17,856)	2,525,390
Net profit of current period	-	-	-	-	372,353	-	-	-	372,353
Other comprehensive income/(loss) of current period	-	-	-	-	-	2,681	-	-	2,681
Total comprehensive income/(loss) of current period	-	-	-	-	372,353	2,681	-	-	375,034
Earnings appropriation and distribution:									
Appropriation of legal reserve	-	-	28,898	-	(28,898)	-	-	-	-
Appropriation of special reserve	-	-	-	19,683	(19,683)	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(203,477)	-	-	-	(203,477)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	(147,784)	-	-	-	(147,784)
Stock options of equity components recognized due to issuance of convertible bonds-	-	18,830	-	-	-	-	-	-	18,830
Corporate bond conversion into ordinary shares	50,321	459,133	-	-	-	-	-	-	509,454
Balance as of December 31, 2020	730,678	1,412,389	265,232	32,749	684,323	(19,618)	(10,450)	(17,856)	3,077,447
Net profit of current period	-	-	-	-	219,556	-	-	-	219,556
Other comprehensive income/(loss) of current period	-	-	-	-	-	(20,804)	-	-	(20,804)
Total comprehensive income/(loss) of current period	-	-	-	-	219,556	(20,804)	-	-	198,752
Earnings appropriation and distribution:									
Appropriation of legal reserve	-	-	22,457	-	(22,457)	-	-	-	-
Reversal of special reserve	-	-	-	(2,681)	2,681	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(266,697)	-	-	-	(266,697)
Corporate bond conversion into ordinary shares	1,211	11,041	-	-	-	-	-	-	12,252
Transfer of treasury stocks to employees	-	7,710	-	-	-	-	-	17,856	25,566
Balance as of December 31, 2021	$ 731,889	1,431,140	287,689	30,068	617,406	(40,422)	(10,450)	-	3,047,320

(Please read the notes to the parent company only financial statements attached here below carefully)

Chairman: Steve Chu **Manager: Reaforl Hung** **Accounting Supervisor: Helen Chang**

CASwell, Inc.
Statements of Cash Flows
From January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

	2021	2020
Cash flows from operating activities:		
Net pretax profit of current period	$ 269,352	456,878
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	34,415	35,969
Amortization expenses	1,646	2,651
Expected credit loss	-	60
Net gain on financial assets at fair value through profit or loss	(811)	(2,214)
Interest expense	2,640	5,838
Interest income	(1,349)	(2,256)
Shares of profit of subsidiaries accounted for using the equity method	(88,190)	(84,603)
Loss (gain) on disposal and scrap of property, plant and equipment	(339)	-
Gain (loss) on unrealized sales	(446)	698
Compensation cost relating to share-based payment	7,764	-
Total adjustments for reconcile profit (loss)	(44,670)	(43,857)
Changes in operating assets/liabilities:		
Net changes in operating assets:		
Decrease (increase) in notes and accounts receivable (including related parties)	183,128	(37,573)
(Increase) decrease in other receivables (including related parties)	(68,487)	5,136
Increase in inventories	(230,419)	(474,165)
Decrease (increase) in other current assets	(123,059)	3,989
Total net changes in operating assets	(238,837)	(502,613)
Net changes in operating liabilities:		
Increase in notes and accounts payable (including related parties)	255,300	59,003
Increase in other payable (including related parties)	13,079	15,490
Increase in warranty provisions	985	199
Increase in other current liabilities	38,606	9,192
Total net changes in operating liabilities	307,970	83,884
Total net changes in operating assets and liabilities	69,133	(418,729)
Total adjustments for reconcile profit (loss)	24,463	(462,586)
Net cash inflows from operating activities	293,815	(5,708)
Interest received	1,313	2,427
Interest paid	(295)	(431)
Income tax paid	(77,861)	(54,190)
Net cash outflows from operating activities	216,972	(57,902)
Cash flows from investing activities:		
Financial assets at fair value through other comprehensive gains and losses	-	(8,000)
Acquisition of financial assets at fair value through profit or loss	(10,800)	(14,400)
Acquisition of investments accounted for under the equity method	-	(224,929)
Acquisition of property, plant and equipment	(24,427)	(17,974)
Disposal of property, plant and equipment	1,714	-
Acquisition of intangible assets	(1,222)	(639)
Increase in other non-current assets	(4,225)	(87)
Dividends received	12,280	34,125
Net cash used in investing activities	(26,680)	(231,904)
Cash flows from financing activities:		
Decrease in short-term borrowings	-	(130,000)
Issuance of convertible corporate bonds	-	699,700
Repayment of lease principal	(20,294)	(20,568)
Decrease (increase) in other non-current liabilities	(7)	40
Cash dividends paid	(266,697)	(203,477)
Share issuance costs	(54)	-
Transfer costs of treasury stocks	17,856	-
Net cash (outflow) inflow generated from financing activities	(269,196)	345,695
(Decrease) increase in cash and cash equivalents	(78,904)	55,889
Cash and cash equivalents at beginning of period	465,892	410,003
Cash and cash equivalents at end of period	**$ 386,988**	**465,892**

(Please read the notes to the parent company only financial statements attached here below carefully)

Chairman: Steve Chu **Manager: Reaforl Hung** **Accounting Supervisor: Helen Chang**

[Attachment IV]

CASwell, Inc.

Comparison Table of Amendments to the Articles of Incorporation

Original articles	New articles	Description
Article 10 Shareholders' meetings are divided into general and extraordinary shareholders' meetings. The general shareholders' meetings are convened once a year and lawfully held by the Board of Directors within six months after the end of each fiscal year. The extraordinary meetings shall be duly convened when necessary. <u>The shareholders' meeting of the Company may be held by video conference or other means announced by the central competent authority.</u> <u>For relevant regulations such as the conditions, operating procedures and other matters for video conference, and if there are other regulations by the securities authority, such regulations shall prevail.</u>	Article 10 Shareholders' meetings are divided into general and extraordinary shareholders' meetings. The general shareholders' meetings are convened once a year and lawfully held by the Board of Directors within six months after the end of each fiscal year. The extraordinary meetings shall be duly convened when necessary.	In line with the amendment of the Company Law Act, the Company open the public offering should hold a video shareholders' meeting, and the relevant provisions are specified in the Articles of Incorporation.
Article 23-1 In case there are profits after tax in the final settlement of the current year, the Company should first offset the accumulated loss and retain 10% as legal surplus reserve in accordance with the law; however, when the legal surplus reserve exceeds the paid-in capital of the Company, it is not subject to this limitation. Certain amount should be further allocated as special reserve or the	Article 23-1 In case there are profits after tax in the final settlement of the current year, the Company should first offset the accumulated loss and retain 10% as legal surplus reserve in accordance with the law; however, when the legal surplus reserve exceeds the paid-in capital of the Company, it is not subject to this limitation. Certain amount should be further allocated as special reserve or the	In accordance with Article 240 of the Company Law, cash dividends paid by a public offering company may be paid

Original articles	New articles	Description
special reserve should be reversed in accordance with applicable laws and regulations or as requested by the competent authority. The balance (if any) together with accumulated unappropriated retained earnings can be distributed after the distribution plan is proposed by the BOD and approved by the shareholders' meeting. If the Company distributes dividends and bonuses in cash, or all or part of the statutory surplus reserve and capital reserve stated in the first paragraph of Article 241 of the Company Law are paid in cash, the board of directors shall be authorized to do so in the presence of more than two-thirds of the directors and with the consent of more than half of the directors present, and report to the shareholders' meeting in accordance with Article 240, paragraph 5, of the Company Law. The dividend distribution to the shareholders of the Company can be distributed in cash or shares, in which the amount shall not less that 10% of the retained earnings the after tax of the current year, and the proportion of shareholders' cash dividends shall not be less than 10% of the total dividends of the shareholders. The Company is in a growing industry. The type and proportion of this retained earnings distribution is based on the Company's future capital demand and long-term	special reserve should be reversed in accordance with applicable laws and regulations or as requested by the competent authority. The balance (if any) together with accumulated unappropriated retained earnings can be distributed after the distribution plan is proposed by the BOD and approved by the shareholders' meeting. The dividend distribution to the shareholders of the Company can be distributed in cash or shares, in which the amount shall not less that 10% of the retained earnings the after tax of the current year, and the proportion of shareholders' cash dividends shall not be less than 10% of the total dividends of the shareholders. The Company is in a growing industry. The type and proportion of this retained earnings distribution is based on the Company's future capital demand and long-term operating plan. The BOD may draw up a distribution proposal according to the current operating conditions and taking into account shareholders' equity, balanced dividend policy and capital demand plan, and submit it to the shareholders' meeting for resolution and	by special resolution of the board of directors. Therefore, the Company specified relevant provisions in the Articles of Incorporation subject to the laws and regulations.

Original articles	New articles	Description
operating plan. The BOD may draw up a distribution proposal according to the current operating conditions and taking into account shareholders' equity, balanced dividend policy and capital demand plan, and submit it to the shareholders' meeting for resolution and adjustment. If there is no loss and the Company has no earnings to be distributed or has financial, business or operational considerations, part or all of the reserve may be distributed according to the law or the competent authority's requirements.	adjustment. If there is no loss and the Company has no earnings to be distributed or has financial, business or operational considerations, part or all of the reserve may be distributed according to the law or the competent authority's requirements.	
Article 25 The Articles of Incorporation was issued on April 11, 2007. The first amendment was made on January 2, 2008. ………………………………(omitted) The eleventh amendment was made on June 5, 2019. The twelfth amendment was made on June 16, 2022. The Articles of Incorporation shall enter into force from their approval by the resolution of the shareholders' meeting, so shall the amendments.	The Articles of Incorporation was issued on April 11, 2007. The first amendment was made on January 2, 2008. ………………………………(omitted) The eleventh amendment was made on June 5, 2019. The Articles of Incorporation shall enter into force from their approval by the resolution of the shareholders' meeting, so shall the amendments.	Date of this amendment to be added.

[Attachment V]

CASwell, Inc.

Comparison Table of Amendments to Procedures for Acquiring or Disposing of Assets

After amended	Before amended	Description
Article 5 Exclusion of related persons For the appraisal report or the opinion of the accountant, lawyer or securities underwriter obtained by the Company, the relevant professional appraising unit and its appraiser, accountant, lawyer or securities underwriter shall comply with the following requirements: I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. II. May not be a related party or de facto related party of any party to the transaction. III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry Incorporations to which they belong and	**Article 5 Exclusion of related persons** For the appraisal report or the opinion of the accountant, lawyer or securities underwriter obtained by the Company, the relevant professional appraising unit and its appraiser, accountant, lawyer or securities underwriter shall comply with the following requirements: I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. II. May not be a related party or de facto related party of any party to the transaction. III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions:	Amended subject to the Article 5 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

After amended	Before amended	Description
with the following provisions: I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. II. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion.The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. III. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.	I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. II. When review a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion.The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. III. They shall undertake an item-by-item evaluation of the completeness, correctness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and correct, and that they have complied with applicable laws and regulations.	
Article 7 Evaluation procedures for the acquisition or disposal of assets The undertaker shall conduct feasibility study subject to the following pricing and references: I. Securities: (I) The price of securities traded on a centralized trading market or at the business premises of a securities firm shall be determined according to the market price of the securities at that time. (II) The price of securities not acquired or disposed of in a	**Article 7 Evaluation procedures for the acquisition or disposal of assets** The undertaker shall conduct feasibility study subject to the following pricing and references: I. Securities: (I) The price of securities traded on a centralized trading market or at the business premises of a securities firm shall be determined according to the market price of the securities at that time. (II) The price of securities not acquired or disposed of in a	Amended subject to the Article 9 and 10 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

After amended	Before amended	Description
centralized trading market or the business premises of a securities firm shall be determined taking into account its net value per share, profitability, future development potential and with reference to the current trading price. (III) The Company acquires or disposes of securities, the latest financial statements of the subject company audited, certified or approved by the accountant shall be taken as a reference for evaluating the transaction price before the occurrence of the fact.In addition, if the transaction amount reaches 20% of the paid-in capital of the Company or more than NTD 300 million, the accountant shall be consulted to express his opinion on the rationality of the transaction price before the occurrence of the fact.However, this restriction shall not apply to the publicly reported price of the priced securities with an active market or the provisions of the Financial Regulatory Commission. II. Immovable and equipment or its right to use (I) (omitted) (II) (omitted) (III) In case of any of the following valuation results of a professional valuer, except that all the valuation results of the acquired assets are higher than the transaction amount, or all the	centralized trading market or the business premises of a securities firm shall be determined taking into account its net value per share, profitability, future development potential and with reference to the current trading price. (III) The Company acquires or disposes of securities, the latest financial statements of the subject company audited, certified or approved by the accountant shall be taken as a reference for evaluating the transaction price before the occurrence of the fact.In addition, if the transaction amount reaches 20% of the paid-in capital of the Company or more than NTD 300 million, the accountant shall be consulted to express his opinion on the rationality of the transaction price before the occurrence of the fact.If an accountant is required to use expert reports, it shall comply with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.However, this restriction shall not apply to the publicly reported price of the priced securities with an active market or the provisions of the Financial Regulatory Commission. II. Immovable and equipment or its right to use (I) (omitted) (II) (omitted) (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are	

After amended	Before amended	Description
valuation results of the disposed assets are lower than the transaction amount, an accountant shall be consulted to express specific opinions on the reasons for the difference and the appropriateness of the transaction price: 1. The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount. 2. The difference between the appraisal results of two or more professional appraisers is more than 10% of the transaction amount. (IV) (omitted) III. Membership Where the Company acquires or disposes memberships and the transaction amount reaches 20 percent or more of paid-in capital or NTD 300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. IV. Intangible assets or right-of-use assets Where the Company acquires or	higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to conduct according to the Auditing Standards Bulletin No.20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the Accounting Research and Development Foundation)and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price : 1. The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount. 2. The difference between the appraisal results of two or more professional appraisers is more than 10% of the transaction amount. (IV) (omitted) III. Membership Where the Company acquires or disposes memberships and the transaction amount reaches 20 percent or more of paid-in capital or NTD 300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price subject to the Auditing Standards Bulletin No.20 issued by the Accounting Research and Development Foundation of the Republic of China. IV. Intangible assets or right-of-use assets Where the Company acquires or	

After amended	Before amended	Description
disposes of intangible assets or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NTD300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. V. (omitted) VI. (omitted)	disposes of intangible assets or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NTD300 million or more, except in transactions with a domestic government agency, the Company shall engage a authoritative valuation institution to give a valuation report, and than engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. V. (omitted) VI. (omitted)	
Article 10.Related Party Transactions I. When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section. II. When the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale	**Article 10.Related Party Transactions** I. When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section. II. When the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale	Amended subject to the Article 15 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

After amended	Before amended	Description
agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been agreed by more than two-thirds of all the members of the audit commission and approved by the board of directors, and Items 3 and 4 of Article 18 of this processing procedure shall be applied: (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (II) The reason for choosing the related party as a transaction counterparty. (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Item 3 to 6 of this Article. (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party. (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding	agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been agreed by more than two-thirds of all the members of the audit commission and approved by the board of directors, and Items 3 and 4 of Article 18 of this processing procedure shall be applied: (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. (II) The reason for choosing the related party as a transaction counterparty. (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Item 3 to 6 of this Article. (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party. (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding	

After amended	Before amended	Description
article. (VII) Restrictive covenants and other important stipulations associated with the transaction. If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and 2 and the transaction amount will reach 10 percent or more of its total assets, the Company shall submit the above materials to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries. The calculation of the transaction amounts referred to in paragraph 1 and 2 shall be made in accordance with Article 14, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction.Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 8, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting: (I) Acquisition or disposal of	article. (VII) Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in paragraph 1 and 2 shall be made in accordance with Article 14, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction.Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 8, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting: (I) Acquisition or disposal of	

After amended	Before amended	Description
equipment or right-of-use assets thereof held for business use. (II) Acquisition or disposal of real property right-of-use assets held for business use. When a matter is submitted for discussion by the board of directors, the Company shall take into full consideration each independent director's opinions.If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Article 3 ~ 9 (omitted)	equipment or right-of-use assets thereof held for business use. (II) Acquisition or disposal of real property right-of-use assets held for business use. When a matter is submitted for discussion by the board of directors, the Company shall take into full consideration each independent director's opinions.If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Article 3 ~ 9 (omitted)	
Article 14.Procedures for Public Disclosure of Information I. The company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated report website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NTD 300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (II) Merger, demerger, acquisition,	**Article 14.Procedures for Public Disclosure of Information** I. The company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated report website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NTD 300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (II) Merger, demerger, acquisition,	1. Amended subject to the Article 31 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. 2. Expression is subject to be adjusted.

After amended	Before amended	Description
or transfer of shares. (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: 1. The paid-in capital is less than NTD 10 billion, the transaction amount reaches NTD 500 million or more. 2. The paid-in capital is NTD 10 billion or more, the transaction amount reaches NTD 1 billion or more. (V) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NTD 500 million.(Based on the amount planned to be invested by the Company) (VI) Where an asset transaction other than any of those referred to in (1)to (5)above, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NTD 300 million;	or transfer of shares. (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. (IV) Where asset type belonging to equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: 1. The paid-in capital is less than NTD 10 billion, the transaction amount reaches NTD 500 million or more. 2. The paid-in capital is NTD 10 billion or more, the transaction amount reaches NTD 1 billion or more. (V) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NTD 500 million.(Based on the amount planned to be invested by the Company) (VI) Where an asset transaction other than any of those referred to in (1)to (5)above, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NTD 300 million;	

After amended	Before amended	Description
provided, this shall not apply to the following circumstances: 1. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.. 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. **Article 2 to 7: (omitted)**	provided, this shall not apply to the following circumstances: 1. Trading of domestic government bonds.. 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. **Article 2 to 7: (omitted)**	

[Appendix I]

CASwell, Inc.

Rules of Procedure for Shareholders' Meetings

Amended by the Shareholders' Meeting on April 9, 2013

Article 1. Unless otherwise required by laws, the shareholders' meeting of the Company shall be convened in accordance with the Rules of Procedure for the shareholders' meetings.

Article 2. The shareholders as set forth in the Rules mean the shareholders and the proxies entrusted by them to attend the shareholders' meetings on behalf of them.

Article 3. The shareholders attending the shareholders' meetings are required to wear an attendance cards and to submit such cards in lieu of sign-in.The number of shares represented by the shareholders attending the shareholders' meetings shall be calculated in accordance with the number of attendance cards submitted by the shareholders.

Article 4. The chairman shall call the meeting to order at the time scheduled for the meeting.In the event that only shareholders representing less than half of the total issued shares attend a shareholders' meeting, the chairman may announce adjournment, but a meeting shall not be adjourned for more than twice, and the cumulative time of adjournment shall not be longer than one hour.If two adjournments are still insufficient for shareholders representing more than 1/3 of the total issued shares to attend the meeting and constitute a quorum, a tentative resolution shall be passed in accordance with Article 175 of the Company Law.In the event that the total number of shares represented by the shareholders present in a shareholders' meeting constitutes a majority of the total issued shares before the end of the meeting, the chairman shall bring a tentative resolution so adopted into the shareholders' meeting a new to be duly resolved according to Article 174 of the Company Law.

Article 5. In the event that the shareholders' meeting is convened by the Board of Directors and the agenda shall be worked out by the Board of Directors, the shareholders' meeting shall duly be convened based on the predetermined agenda, which shall not be changed unless duly approved by a resolution of the shareholders' meeting.The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting.The chairman shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including occasional (extemporaneous) motions) unless duly resolved in the meeting.Once a meeting is adjourned by a resolution, the shareholders shall not additionally elect a chairman to proceed with the meeting in the place where the meeting would have been convened or another place. However, in the event that the chairman announces adjournment of the meeting against the rules of procedure for the shareholders' meetings, one of the shareholders shall be elected as chairman with the consent of the shareholders present representing a majority of voting rights to reconvene the meeting.

Article 6. During the process of the meeting, the chairman may announce a recess at an appropriate time at discretion.When the matters discussed at a meeting cannot be addressed, a resolution shall be passed by the shareholders to adjourn or reconvene the meeting within five days without giving a notice or making a public announcement.

Article 7. Before the shareholders present speak, they shall first fill in notes for speaking, where the subjects of their speaking, shareholder accounts and account name shall be indicated.The chairman shall determine the order of precedence for the shareholders to speak at the meeting.The shareholders who have submitted the notes for speaking but have not spoken at the meeting shall be deemed to have not spoken.In the event of any inconsistency between the content of any shareholder's speech and that recorded on the note, the former shall prevail.While a shareholder is speaking, no other shareholder shall interrupt the speaking shareholder unless permitted by the chairman and such speaking shareholder, and the chairman shall stop any such interruptions.

Article 8. For each proposal, each shareholder shall not speak for more than twice and five minutes each time unless agreed upon by the chairman.If any shareholder present speaks against provisions of the preceding paragraph, beyond the subject discussed, or against the order of precedence for speaking, the chairman may stop or suspend the shareholder's speech.Other shareholders may also request the chairman to do so.

Article 9. Where the chairman believes that a proposal has been discussed in the meeting up to the level for voting, the chairman may announce discontinuance of the discussion process and bring that proposal to a vote.

Article 10. Except as otherwise provided under the Company Law and/or the Company's Articles of Incorporation, a resolution shall be adopted with the approval of a majority of the votes of the shareholders present.

If, in the course of voting, no objection is made after the chairman's inquiry, the proposal shall be deemed to have been adopted with the same effect as if it has been adopted through voting.

The shareholders may attend a shareholders' meeting by proxy.Except for trusts or service agents approved by competent securities authorities, any person simultaneously entrusted by two and more shareholders shall not represent more than 3% of the voting rights in total issued shares, otherwise, the votes casted shall be disregarded.

Article 11. The number of shareholders present in a shareholders' meeting and their voting shall be duly calculated based on the shares they hold, and a shareholder shall have the right to cast one vote for each share held.

Article 12. The shareholders' meeting shall be held in the city or county where the Company is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting, and shall commence at a time no earlier than 9:00 a.m.and no later than 3:00 p.m.

Article 13. If a shareholders' meeting is convened by the Board of Directors of the Company (the "Board" or "Board of Directors"), the chairman shall preside at such meeting.If the chairman is on leave or unable to exercise his powers and duties for any reason, the Vice chairman shall preside at such meeting.The chairman shall designate a managing director to preside as the chairman if the Vice chairman is on leave or unable to exercise his powers and duties for any reason.If no managing director of the Company is appointed, the chairman shall designate a director to preside as the chairman.If the chairman fails to designate a chairman for the meeting, the managing director or the directors shall nominate one from among themselves to preside at the meeting.If a shareholders' meeting is convened by anyone other than the Board of Directors, the convener shall act as the chairman.Where there are more than two conveners, one of such conveners shall be elected from among themselves the chair the shareholder's meeting.

Article 14. The Company shall appoint attorney (s)-at-law, certified public accountant (s) or relevant personnel to attend a shareholders' meeting.Staff at an shareholders' meeting shall wear ID badges or arm badges.

Article 15. The Company shall record the whole meeting process and keep the records for at least one year.

Article 16. In the event that a proposal has amendments or substitutes, the order of voting shall be determined by the chairman.When one among such amendments or substitutes is approved, the remained ones shall be deemed to have been vetoed and no further voting shall be required.

Article 17. In the event that a juristic (corporate) person is entrusted to attend a shareholders' meeting, that juristic (corporate) person may appoint only one representative to attend the meeting.If a shareholder who is a juristic person appoints two or more representatives to attend a shareholders' meeting, only one representative may speak on any given proposal.

Article 18. After a shareholder speaks, the chairman shall answer either by himself or herself of through a designee.

Article 19. Staff such as supervisor and vote counter shall be appointed by the chairman. The supervisor shall be a shareholder.The voting results shall be announced at the meeting and recorded in writing.

Article 20. The chairman may direct staff or inspectors or security personnel to assist in maintaining the order of each shareholder's meeting.

In maintaining the order of the meeting, such personnel shall wear identification certificates useful for identification.

If any shareholder present willfully disrupts the order of the meeting in words or by acts, which constitute personal attack, and fails to control himself or herself when stopped by the chairman, the chairman shall ask the staff mentioned in the preceding clause to ask such shareholder to leave the meeting, in order to maintain the order of the meeting, ensure smooth completion of the meeting, and safeguard a majority of shareholders' equity.

Article 21. In the event of a major disaster such as an air raid alarm, an earthquake or a fire, the meeting shall be announced as ended or suspended.The personnel shall be evacuated from the premises.One hour after the situation has been resolved, the chairman shall announce the new meeting time.

Article 22. Matters not specified in the Rules shall be governed by the Company Law, the Company's Articles of Incorporation.

Article 23. These rules and any amendments hereof shall be put into enforcement after being resolved at the shareholder meeting.

[Appendix II]

Articles of Incorporation of CASwell, Inc.

Amended by the Shareholders' Meeting on June 5, 2019

Chapter 1 General

Article 1. The Company is organized according to the Company Law under the name of CASwell, Inc.

English name: CASWELL,INC.

Article 2. The business to be operated by the Company is as follows:

CC01080 Electronic Parts and Components Manufacturing

CC01110 Computers and Computing Peripheral Equipment Manufacturing

CC01120 Data Storage Media Manufacturing and Duplicating.

E605010 Computing Equipment Installation Construction

F113050 Wholesale of Computing and Business Machinery Equipment

F118010 Information Software Wholesale Industry

F119010 Electronic Materials Wholesale Industry

F401010 International trade

I501010 Product Design Services

I301010 Software Design Services

I301020 Data Processing Services

I301030 Digital Information Supply Services

IG02010 Research Development Service

ZZ99999 All business not prohibited or restricted by law, except for those subject to special approval

Article 3. The Company may provide endorsements and guarantees for the purpose of its business.Unless otherwise stipulated by laws, the total amount of foreign investments [shall not be limited to 40% of the paid-in capital] as specified in Article 13 of the Company Law.

Article 4. The Company is headquartered in New Taipei, and when necessary, it may establish branches home and abroad upon resolution of the Board of Directors.

Article 5. Public announcements of the Company shall be duly made in accordance with Article 28 of the Company Law, other relevant laws and regulations.

Chapter II Share

Article 6. The Company's total capital shall be set at NTD1 billion, divided into 100 million shares with each share having a par value of NTD10.The Board of

Directors is authorized to issue the unissued shares in separate installments as required.

The capital amount of NTD12 million in the preceding paragraph shall be reserved for issuance of employee stock warrants with each share having a par value of NTD10 which may be issued in installments according to the resolution of the Board of Directors.

Article 6-1. The shares purchased by the Company may be transferred to employees of the Company's affiliates who meet certain conditions under terms and conditions determined by the Board of Directors.

The stock warrants of the Company may be issued to employees of the Company's affiliates who meet certain conditions under terms and conditions determined by the Board of Directors.

The Company may issue restricted stock awards to employees of its affiliates who meet certain conditions under terms and conditions determined by the Board of Directors.

When the Company issues new shares by increasing capital in cash, employees of the Company's affiliates who meet certain conditions shall be eligible for subscribing to such shares under terms and conditions determined by the Board of Directors.

Article 7. The Company may issue shares, which shall be registered or kept by a central securities depository.

Other negotiable securities, if any, shall also be issued according to the foregoing provision.

Article 8. Unless otherwise stipulated by laws or competent securities authorities, related affairs shall be handled in accordance with the Company Law and Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 9. No registration of share transfer shall be made within sixty days (60) prior to a general shareholders' meeting, or within thirty days (30) prior to an extraordinary shareholders' meeting, or within five (5) days prior to the day on which dividend, bonus or other benefits are scheduled to be paid by the Company.

Chapter III Shareholders' Meetings

Article 10. Shareholders' meetings are divided into general and extraordinary shareholders' meetings.The general shareholders' meetings are convened once a year and lawfully held by the Board of Directors within six months after the end of each fiscal year.The extraordinary meetings shall be duly convened when necessary.

Article 10-1. The shareholder holding one percent of the total issued and outstanding shares may submit a proposal in writing to be discussed at the annual meeting, provided that only one matter may be included in such proposal. Any proposal that includes more than one matter shall be disregarded and excluded from the meeting agenda.The relevant process shall comply with the Company Law, all applicable laws and regulations.

Article 10-2. When the Company convenes a shareholders' meeting, the shareholders may exercise the voting rights in writing or electronically.

Article 11. Where a shareholder meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman.If the chairman is on leave or unable to exercise his powers and duties for any reason, the Chairman shall appoint one director to preside at the meeting.If the Chairman appoints no agent, the directors shall elect one among themselves to chair the meeting; if the meeting is convened by anyone with the authority to convene other than the Board of Directors, the convener shall be the chairman; if there are more than two persons with the authority to convene, the chairman of the meeting shall be appointed from among them.

Article 12. When a shareholder is unable to attend a shareholders' meeting for any reason, the shareholder may appoint a proxy to attend the meeting on his/her behalf by providing a power of attorney in accordance with Article 177 of the Company Law.The proxy process is governed by Article 177 of the Company Law and the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" prescribed by the competent authority.

Article 13. Unless otherwise provided by laws or regulations, each shareholder of the Company shall have one vote for each share.

Article 14. Unless otherwise provided for in the Company Law, resolutions shall be adopted by a majority of votes at a meeting attended by shareholders who represent a majority of the total issued shares.

Article 15. All resolutions passed at a shareholders' meeting shall be recorded in the written minutes, which shall be signed or affixed with seal by the chairman and served to all shareholders within twenty days after the meeting.The minutes shall record essential content and results of the discussions, kept in the Company together with the attendance book and the proxies.The term for keeping the minutes, attendance book and proxies shall be determined according to the Company Law.

The preceding minutes may be distributed electronically or by making public announcements.

Article 15-1. If the Company intends to revoke a public issuance plan, it shall present it to be resolved at a shareholders' meeting before making a request to the competent authority.This clause may not be changed during the emerging period and after the Company goes public.

Chapter IV Directors

Article 16. The Company has 7 to 9 directors, whose term of office shall be 3 years.The directors of the Company shall be elected and appointed using the candidate nomination system stated in Clause 1, Article 192 of the Company Law and from the candidates of directors nominated at the shareholders' meeting, They may be eligible for reelection.

Among the designated number of directors as mentioned above, there shall be at least three independent directors.

The restrictions on professional qualifications, shareholding and concurrent positions held, manners of nomination and election of independent directors, and other related matters shall comply with the Company Law, Securities Exchange Act, other related laws and regulations.The directors shall comply with the rules of the competent securities authorities concerning their total shareholding ratio.

The Company's directors shall be elected by cumulative voting.Each share is entitled to the number of votes equivalent to the number of directors to be elected.A director shall be elected in a centralized manner, or several persons may be elected together, among whom the one with the most votes shall be appointed as director.

The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected shall be calculated separately.

When it is necessary to amend the Company's method for electing directors, in addition to the provisions of Article 172 of the Company Law, a comparison table for the amendment of the method shall be listed in the reasons for convening the shareholders' meeting.

The Board of Directors shall establish various functional committees, each of which shall formulate rules and regulations for exercising their powers.Such rules and regulations shall be implemented after they are approved by the Board of Directors.

Article 16-1. If a director's tenure has expired and it is too late for re-election, it shall be extended until the re-elected director takes office.

Article 17. The directors shall organize a Board meeting, where over two-thirds of the directors shall attend, elect one from among them to be the chairman with the consent of a majority of them, and a vice chairman in the same manner.The chairman shall act on behalf of the Company externally.

Article 17-1. In case that the vacancies in the office of directors reach one-third of the Board or if all independent directors have been removed, the Board of Directors shall convene an extraordinary shareholders' meeting within sixty days to elect new directors to fill the vacancies.A director elected to fill such vacancy shall hold office for the remained term of the director whose office was vacant.When the number of directors falls below 5 or the number of independent directors falls below that prescribed in the Company's Articles of Incorporation due to removal for any reason, a by-election to fill the vacancy shall be held at the next shareholders' meeting, and the elected directors shall hold office for the remained term of the vacant office.

Article 17-2. Except as otherwise provided by the Company Law, resolutions of the Board of Directors shall be adopted by at least a majority of the directors present at a meeting attended by at least a majority of the directors holding office.Upon the chairman's leave, absence or unavailability for performance of duties, the proxy shall act at the meeting in accordance with Article 208 of the Company Law.

Where a director is unable to attend a Board of Directors meeting for any reason, the director may issue a power attorney, stating therein the scope of authority with reference to the matters for convening the meeting, and appoint another director to serve as his or her proxy.However, a proxy may only accept the appointment of one director only.The proxy shall act according to Article 205 of the Company Law.

To convene a Board of Directors meeting, a seven-day notice shall be served to all directors, expressly indicating the subject (s) of the meeting. In case of an emergency, a Board of Directors meeting may be convened any time.

Such notices mentioned in the preceding paragraph may be served in writing or by means of facsimile or email.

If participation by means of video conferencing is made available at a meeting, directors who participate in the meeting by such means shall be deemed to have attended such meeting in person.

Article 18. he Company shall set up an Audit Committee in accordance with the provisions of Article 14-4 of the Securities and Exchange Act.The Audit Committee shall be composed of all independent directors.The members of the Audit Committee or the Audit Committee shall be responsible for performing the duties under the Company Law, the securities exchange law, and other laws and regulations as supervisors.

Article 19. The directors shall be paid by the Company for holding their offices in the Company.Their remuneration shall be determined by the Board of Directors based on the degree of their participation in and contributions to the business operations of the Company, as well as industry standards home and abroad.

Article 19-1. The Company may purchase and maintain liability insurances for directors and managers with respect to their liabilities lawfully arising from exercising their duties.The amount and other details of the insurances shall be determined by the Board of Directors.

Article 20. The resolutions adopted at a shareholders' meeting shall be made into minutes, which shall be signed by or affixed with seal by the chairman of the meetings and distributed to all shareholders within 20 days after the meeting.Such minutes shall be produced and distributed electronically.

The minutes shall record essential content and results of the subject (s) discussed at the meeting, kept in the Company together with the attendance book of the directors present and power attorneys of those attending the meeting by proxy, which shall be kept for a period as stip0ulated in Article 207 of the Company Law.

Chapter V Managers

Article 21. The Company may appoint managers, whose appointment, removal and remuneration shall be governed by Article 29 of the Company Law.

Chapter VI Accounting

Article 22. At the end of each fiscal year, the Board of Directors shall prepare following statements, which shall be submitted to the Audit Committee for auditing no later than 30 days prior to the date of the annual general shareholders' meeting, and then presented for approval at the meeting.

(I) Business Report

(II) Financial statements

(III) Statements on earnings distribution or loss appropriation

Article 23. If the Company makes profits (i.e., net profits before tax after deduction of the portion set aside for employee remuneration) within a fiscal year, 2~15% of the profits shall be reserved as the employee remuneration, and no more than 2% shall be reserved as director remuneration.When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration.

The employee remuneration mentioned above may be paid in the form of shares or in cash.It shall also be paid to employees of the Company's affiliates who meet certain conditions.The terms of payment shall be decided by the Board of Directors.The above remuneration to the directors shall be in cash.

The preceding remunerations to employees and directors shall be determined by the resolution of Board of Directors and reported to the shareholders' meeting. The terms of payment shall be decided by the Board of Directors.

Article 23-1. In case there are profits after tax in the final settlement of the current year, the Company should first offset the accumulated loss and retain 10% as legal surplus reserve in accordance with the law; however, when the legal surplus reserve exceeds the paid-in capital of the Company, it is not subject to this limitation.Certain amount should be further allocated as special reserve or the special reserve should be reversed in accordance with applicable laws and regulations or as requested by the competent authority. The balance (if any) together with accumulated unappropriated retained earnings can be distributed after the distribution plan is proposed by the BOD and approved by the shareholders' meeting.

The dividend distribution to the shareholders of the Company can be distributed in cash or shares, in which the amount shall not less that 10% of the retained earnings the after tax of the current year, and the proportion of shareholders' cash dividends shall not be less than 10% of the total dividends of the shareholders.The Company is in a growing industry.The type and proportion of this retained earnings distribution is based on the Company's future capital demand and long-term operating plan.The BOD may draw up a distribution proposal according to the current operating conditions and taking into account shareholders' equity, balanced dividend policy and capital demand plan, and submit it to the shareholders' meeting for resolution and adjustment.

If there is no loss and the Company has no earnings to be distributed or has financial, business or operational considerations, part or all of the reserve may be distributed according to the law or the competent authority's requirements.

Chapter VII Supplementary Provisions

Article 24. Any matters unmentioned under the Articles of Incorporation shall be subject to the Company Law, related rules and regulations.

Article 25. The Articles of Incorporation were formulated on April 11, 2007.

The first amendment was made on January 2, 2008.

The second amendment was made on January 28, 2008.

The third amendment was made on April 1, 2008.

The fourth amendment was made on April 15, 2009.

The fifth amendment was made on June 10, 2010.

The sixth amendment was made on May 24, 2011.

The seventh amendment was made on April 9, 2013.

The eighth amendment was made on June 11, 2014.

The ninth amendment was made on April 20, 2016.

The tenth amendment was made on April 20, 2017.

The eleventh amendment was made on June 5, 2019.

The Articles of Incorporation shall enter into force from their approval by the resolution of the shareholders' meeting, so shall the amendments.

[Appendix III]

CASwell, Inc.

Procedures for Acquiring or Disposing of Assets

Amended by the Shareholders' Meeting on June 5, 2019

Article 1. Purpose

This procedure is made to ensure investment, information release, and enhance management of the acquiring or disposing of the Company's assets.

Article 2. Base of the Procedures

This procedure is made subject to under paragraph 1 of of Article 41 of the securities exchange law.

Article 3. Asset Scope

The term "assets" as used in these Regulations includes the following:

I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.

II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.

III. Memberships.

IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.

V. Right-of-use assets.

VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).

VII. Derivatives.

VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.

IX. Other major assets.

Article 4. Definitions

I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives, as well as compounded contract compromising the above derivatives.The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; Provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

VII. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.

VIII. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 5 Exclusion of related persons

For the appraisal report or the opinion of the accountant, lawyer or securities underwriter obtained by the Company, the relevant professional appraising unit and its appraiser, accountant, lawyer or securities underwriter shall comply with the following requirements:

I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

II. May not be a related party or de facto related party of any party to the transaction.

III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions:

I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.

II. When review a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion.The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

III. They shall undertake an item-by-item evaluation of the completeness, correctness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.

IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and correct, and that they have complied with applicable laws and regulations.

Article 6. Scope and Amount Limitation of Investment

Except for those who participate in investment establishment or serve as directors and supervisors and intend to hold them for a long time, the total amounts of real property and right-of-use assets thereof or securities acquired by the Company and each subsidiary for business use, and limits on individual securities shall be as follows:

I. The total amounts of real property and right-of-use assets shall not exceed 50 percent of the Company's net value.

II. The total investment amounts of securities shall not exceed 35 percent of the Company's net value.

III. The total investment amounts of indivivual securities shall not exceed 200 percent of the Company's net value.

Article 7. Evaluation procedures for the acquisition or disposal of assets

The undertaker shall conduct feasibility study subject to the following pricing and references:

I. Securities:

(I) The price of securities traded on a centralized trading market or at the business premises of a securities firm shall be determined according to the market price of the securities at that time.

(II) The price of securities not acquired or disposed of in a centralized trading market or the business premises of a securities firm shall be determined taking into account its net value per share, profitability, future development potential and with reference to the current trading price.

(III) The Company acquires or disposes of securities, the latest financial statements of the subject company audited, certified or approved by the accountant shall be taken as a reference for evaluating the transaction price before the occurrence of the fact. In addition, if the transaction amount reaches 20% of the paid-in capital of the Company or more than NTD 300 million, the accountant shall be consulted to express his opinion on the rationality of the transaction price before the occurrence of the fact. If an accountant is required to use expert reports, it shall comply with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation. However, this restriction shall not apply to the publicly reported price of the priced securities with an active market or the provisions of the Financial Regulatory Commission.

2. Immovable and equipment or its right to use

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NTD 300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

(I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

(II) Where the transaction amount is NTD 1 billion or more, appraisals from two or more professional appraisers shall be obtained.

(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to conduct according to the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the Accounting Research and Development Foundation)and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price :

1. The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.

2. The difference between the appraisal results of two or more professional appraisers is more than 10% of the transaction amount.

(IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

III. Membership

Where the Company acquires or disposes memberships and the transaction amount reaches 20 percent or more of paid-in capital or NTD 300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price subject to the Auditing Standards Bulletin No.20 issued by the Accounting Research and Development Foundation of the Republic of China.

IV. Intangible assets or right-of-use assets

Where the Company acquires or disposes of intangible assets or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NTD300 million or more, except in transactions with a domestic government agency, the Company shall engage a authoritative valuation institution to give a valuation report, and than engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

V. Other Assets:

Shall apply to price comparison, bargaining, biding or other methods.

VI. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 8. Operating procedures for acquiring or disposing assets

After the undertaker conducts feasibility study, the report shall be reviewed subject to the following procedures:

I. For government bonds, corporate bonds, financial bonds, securities representing interest in a fund: if the transaction amount is or less than 20 percent of the paid-in capital of the Company, it shall be approved by the chairman; if the amount exceeds 20 percent of the paid-in capital of the Company, it shall be approved by the board of directors.

II. For stocks, depositary receipts, call (put) warrants, beneficial interest securities: if the transaction amount is or less than 5 percent of the paid-in capital of the Company, it shall be approved by the chairman; if the amount exceeds 5 percent of the paid-in capital of the Company, it shall be approved by the board of directors.

III. For real property and other assets or their right-of-use assets: if the transaction amount is or less than NTD 50,000 thousand, it shall be approved by the chairman; if the amount exceeds NTD 50,000 thousand, it shall be approved by the board of directors.

IV. When entering into a sales contract with the counterparty, in order to meet the business needs and strive for timeliness, it must be approved by the chairman before entering into the contract, and then submitted to the latest board of directors for ratification.

V. If, in accordance with the provisions of the Company Law or other laws and regulations, resolutions or reports of the shareholders' meeting are required, they shall be followed.

Article 9. The calculation of the transaction amounts referred to in Article 7 and 8 shall be made in accordance with Article 14, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have obtained an appraisal report from a professional appraiser and accounting opinion need not be counted toward the transaction amount.

Article 10. Related Party Transactions：

I. When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

II. When the Company acquires or disposes of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been agreed by more than two-thirds of all the members of the audit commission and approved by the board of directors, and Items 3 and 4 of Article 18 of this processing procedure shall be applied:

(I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

(II) The reason for choosing the related party as a transaction counterparty.

(III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Item 3 to 6 of this Article.

(IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.

(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.

(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.

(VII) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in paragraph 1 and 2 shall be made in accordance with Article 14, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 8, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

(II) Acquisition or disposal of real property right-of-use assets held for business use.

When a matter is submitted for discussion by the board of directors, the Company shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

III. When acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means (Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.):

(I) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

(II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

IV. If the Company acquires real property or right-of-use assets from a related party, it shall appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs, and shall also engage a CPA to check the appraisal and render a specific opinion.

V. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the preceding two paragraphs do not apply, but the acquisition shall be conducted in accordance with the second paragraph:

(I) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.

(II) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.

(III) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.

(IV) The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

VI. Where the Company acquires real property or right-of-use assets thereof from a related party, and the results of the appraisal conducted in accordance with the previous three paragraphs are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 7. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

(I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price.The "Reasonable construction profit" shall be deemed the average gross operating

profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

(II) Where a public company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

(III) Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph (1)and (2)in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

VII. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the paragraph (3)of this article are uniformly lower than the transaction price, the following steps shall be taken:

(I) special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares.Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under paragraph 1 of of Article 41 of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

(II) The independent director members of the audit committee shall comply with Article 218 of the Company Act.

(III) Actions taken pursuant to the subparagraph (1)and (2)above shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

VIII. If the Company has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

IX. When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 11. (deleted)

Article 11-1. (deleted)

Article 12. Engaging in Derivatives Trading

I. Operating or hedging strategies

When engaging in derivative commodity trading, the purpose should be to avoid risks.The selected trading commodities should mainly enable the Company to avoid risks arising from business operations, and the counterpart should be banks that usually have business dealings with the Company to avoid credit risks.

II. Segregation of duties

(I)Financial staff

1.Acquire market information, judge trends and risks, be familiar with financial commodities and related laws and regulations, operation skills, etc., and engage in transactions according to the instructions and authorization of the competent authorities to avoid the risk of market price fluctuations.

2.Regular evaluation.

3.Regular announcement and report.

(II)Accounting staff

1.To provide information on risk exposure position.

2.Keep accounts and prepare financial statements in accordance with generally accepted accounting principles.

3.Measure, supervise and control transaction risks.

III. Essentials of performance evaluation

(I) Hedge trades shall be evaluated at least once every two weeks, and the evaluation reports shall be submitted to the chairman for approval.

(II) The performance evaluation should be compared with the pre-set evaluation basis on the evaluation date to serve as a reference for future decision-making

IV. Total amount of derivatives contracts that my be traded, and the maximum loss limit

(I) Total amount of contracts: the accumulated outstanding balance of contracts at any one time of the total amount of contracts in which the

Company may engage in derivative commodity trading shall not exceed 50 percent of the Company's net value at that time.

(II) The maximum loss limit on individual contracts: 20 percent of the contract amount.In emergency, it shall be submitted to senior management personnel authorized by the board of directors for approval.

(III) The maximum loss limit on total trading contracts: 20 percent of the total contract amount.

V. Operating Procedures

(I) Confirm the trading position

(II) Analysis and judge relevant trends

(III) Decide on specific measures to avoid risks:

1.Subject of trade

2.Position of trade

3.Target price and range

4.Trade method and form

(IV) Obtain trade approval

(V) Execute trade

1.Trade object: Limited to domestic and foreign financial institutions

2.Trading personnel: The personnel who may execute derivative commodity trading of the Company shall first obtain the consent of the chairman and then be notify the current financial institutions of the Company.No person other than the above-mentioned person may engage in trading.

(VI) Transaction confirmation: After the transaction, the transaction personnel shall fill in the transaction documents for the confirmation personnel to confirm whether the transaction conditions are consistent with the transaction documents, and send them to the responsible person for approval.

(VII) Settlement: After the transaction is confirmed to be correct, the buyer shall prepare the fund and relevant documents by the designated settlement personnel on the settlement date and settle at the agreed price.

VI.Quota

(I) For recurrent foreign exchange hedging transactions: Financial planners shall select a financial institution with better conditions, and sign a contract with it after petitioning the chairman for approval.The amount and risk of each transaction shall not exceed NTD 2,000 thousand, and the contract shall be approved by the chairman.

Accumulated positions below NTD 6,000 thousand shall be submitted to the chairman for approval, and those exceeding NTD 6,000 thousand shall be submitted to the board of directors for approval.

(II) Non-hedging transactions: no matter the amount, all trades can only be carried out after being approved by the board of directors.

VII.Accounting method

Forward foreign exchange transactions are accounted for in accordance with International Financial Reporting Standards, International Accounting Standards, Explanations and Explanation Announcements approved by the FSC.

VIII.Internal Control

(I) Risk management measures

1. Credit risk management: The transaction object shall mainly be banks that have business dealings with the Company.
2. Market price risk management: The financial unit regularly evaluates the market price and pays attention to the possible profit and loss impact of future market price fluctuations on the positions held.
3. Liquidity risk management: In order to ensure liquidity, it is necessary to confirm with the fund personnel before trading that the trading quota will not cause insufficient liquidity.
4. Cash flow risk management: In order to ensure the stability of the Company's working capital turnover, the Company's sources of funds for derivatives trading are limited to its own funds, and when deciding its operating amount the capital demand of the cash receipts and payments forecast in the next three months should be considered.
5. Operational risk management: The authorized quota and operation process must be strictly observed to avoid operational risks.
6. Legal risk management: Any document signed with bank must be reviewed by the legal department before it is formally signed, so as to avoid legal risks.

(II) Internal control

1. Trading personnel and operators such as confirmation and delivery shall not be the same person.
2. The trading personnel shall deliver the trading vouchers or contracts to the registration personnel for records.
3. Registration personnel should regularly check accounts with the transaction object or register the record.
4. The registration personnel shall establish a memo book in which details of the type of derivative trading, amount, the date of approval by the Board of Directors and relevant matters that should be carefully evaluated shall be included for future reference.
5. The accounting personnel shall be responsible for the measurement, supervision and control of transaction risks, and shall report to the Board on a regular basis.

(III) Regular evaluation

1. The board of directors hereby designates the general manager to pay constant attention to the supervision and control of derivatives

trading risks in accordance with the Detailed Rules for the Implementation of Internal Control, and to regularly assess whether the trading performance conforms to the established business strategy and whether the risks undertaken are within the allowable range.

2. The general manager shall periodically assess whether the current risk management procedures are appropriate and in accordance with these procedures.
3 Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month.Evaluation reports shall be submitted to the general manager.
4 When irregular circumstances are found, appropriate measures shall be adopted and a report immediately made to the board of directors by the general manager, and an independent director shall be present at the meeting and express an opinion.
5 The company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivates trading in accordance with these Procedures.

IX.Internal audit system

(I) Subject to the internal audit system, the internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the Procedures for Acquiring or Disposing of Assets for engaging in derivatives trading, analysis the trade cycle, and prepare an audit report.If any material violation is discovered, all members of the audit commission shall be notified in writing.

(II) In accordance with the provisions of the Guidelines for the Establishment of Internal Control Systems by Public Companies, the audit report and the improvement of abnormal matters referred to in the preceding paragraph shall be reported to the FSC for future reference on time.

Article 13 Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

I. If the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, it shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

II. The company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.Where the shareholders meeting fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

III. A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

(I) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals)of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

(II) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.

(III) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system)the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company(s)so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions.

IV. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares of the Company shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

V. The company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

(I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.

(II) An action, such as a disposal of major assets, that affects the Company's financial operations.

(III) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

(IV) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.

(V) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

(VI) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

VI. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the Company, and shall also record the following:

(I) Handling of breach of contract.

(II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.

(III) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

(IV) The manner of handling changes in the number of participating entities or companies.

(V) Preliminary progress schedule for plan execution, and anticipated completion date.

(VI) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

VII. After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer of other company, the Company shall carry out a new procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and the shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, the Company may be exempted from calling another shareholders meeting to resolve on the matter anew.

VIII. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s)shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of III, IV and VII of this Article.

Article 14. Procedures for Public Disclosure of Information

I. The company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated report website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

(I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NTD 300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(II) Merger, demerger, acquisition, or transfer of shares.

(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.

(IV) Where asset type belonging to equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:

1. The paid-in capital is less than NTD 10 billion, the transaction amount reaches NTD 500 million or more.
2. The paid-in capital is NTD 10 billion or more, the transaction amount reaches NTD 1 billion or more.

(V) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NTD 500 million.(Based on the amount planned to be invested by the Company)

(VI) Where an asset transaction other than any of those referred to in (1)to (5)above, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NTD 300 million; provided, this shall not apply to the following circumstances:

1. Trading of domestic government bonds.
2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

II. The amount of transactions above shall be calculated as follows:

(I) The amount of any individual transaction.

(II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

(III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively)of real property or right-of-use assets thereof within the same development project within the preceding year.

(IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively)of the same security within the preceding year.

III. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction.Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

IV. The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

V. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

VI. If the Company acquires or disposes of assets, it shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.

VII. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported as required, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

(I) Change, termination, or rescission of a contract signed in regard to the original transaction.

(II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

(III) Change to the originally publicly announced and reported information.

Article 15. Control procedures for the acquisition and disposal of assets by subsidiaries:

I. The subsidiaries shall also formulate and implement the Procedures for Acquiring or Disposing of Assets subject to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.The acquisition or disposal of assets by subsidiaries of the Company shall be handled in accordance with the internal control system and relevant procedures prescribed by each subsidiary, and shall report to the Company in writing the single or accumulated transaction amount of the same nature acquired or disposed of assets in the previous month before the 5th day of each month. The Company's audit unit shall audit the acquisition or disposal of assets by subsidiaries quarterly, and the audit status shall also be included as a necessary item for reporting the audit business to the Board of Directors and members of the Audit Committee.

II. For assets acquired or disposed of by a subsidiary of the Company, which is not a public company, the Company shall do so if the disclosure of such assets is required under the preceding paragraph.

For subsidiaries referred to in the preceding paragraph subjecting to the provisions on paid-in capital or total assets of the Company as set out in Article 14, paragraph 1, of the Announcement Reporting Standard, the paid-in capital or total assets of the Company shall prevail.

Article 16: The Company may, depending on the seriousness of the case, impose warnings, demerits, demotions, suspensions, salary reductions or other sanctions on the personnel who violate the procedures and the relevant laws and regulations, and take them as internal review matters.

Article 17: Matters not covered in this procedure shall be handled in accordance with relevant laws and regulations of the Company.Should the competent authority amend the Procedures for Acquisition or Disposal of Assets, the Company shall comply with the provisions of its new order.

Article 18: This procedure shall be approved by more than half of all members of the audit committee, be submitted to the board of directors for approval, and then submitted to the shareholders' meeting for approval before implementation, and the same applies to amendments.

When the Procedures for Acquiring or Disposing of Assets is submitted for discussion by the board of directors according to the above regulations, the Company shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

If the procedure under the paragraph 1 is not approved by more than half of all members of the audit committee, it may be carried out with the consent of more than two-thirds of all the directors, and the resolution of the audit committee shall be stated in the minutes of the board of directors.

All the members of the audit committee referred to in paragraph 3 and all the directors referred to in the preceding paragraph shall be counted as those who are actually in office.

Article 19. Where the Company's acquisition or disposal of assets is approved by the Board of Directors in accordance with the prescribed procedures, approval authority or other legal provisions, the opinions of independent directors shall be fully considered, and any objections or reservations of independent directors shall be stated in the minutes of the Board of Directors.

For material transactions of assets or derivative commodities of the Company, the approval of more than one-half of all members of the Audit Committee and the resolution of the Board of Directors shall apply to the provisions of paragraphs 3 and 4 of Article 18 of the Procedures.

Article 20. The 10 percent total assets requirement of this procedure shall be calculated based on the total assets in the latest individual or separate financial report as stipulated in the Financial Reporting Standards for Securities Issuers.

[Appenidx IV]

CASwell, Inc.

Impacts of Stock Grants on Business Performance, EPS and ROI

This does not apply, because the Company issued no stock grants in 2021.

[Appendix V]

CASwell, Inc.

Shareholding of Directors

Date: April 18, 2022

Position	Name	Shares Held
Chairman	Ennoconn Corporation Legal Representative: Steve Chu	20,000,000
Director	Ennoconn Corporation Legal Representative: Aven Lou	20,000,000
Director	Ennoconn Corporation Legal Representative: Nelson Tsay	20,000,000
Director	Reaforl Hung	115,446
Independent Director	Jennifer Shao	
Independent Director	James Huang	
Independent Director	Benny Wang	
Total		20,115,446

Note: 1. 73,188,875 ordinary shares were issued as of April 18, 2022.

2. 5,855,110 shares were statutory shares held by all directors.